

FIRST REPORT
OF THE
TRUSTEES OF THE
BOSTON ELEVATED RAILWAY
COMPANY

(For the Year ending December 31st)

1918



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BOSTON
1919

Operating Departments

CHARLES D. EMMONS *General Manager*
(Appointed Nov. 25, 1918.)

H. BERTRAM POTTER *Asst. General Manager*
(Appointed Jan. 10, 1919.)

EDWARD MAHLER *Purchasing Agent*

CLARENCE E. LEARNED *Supt. of Inspection*

EDWARD DANA *Supt. of Transportation*

FREDERICK S. FREEMAN *Supt. of Power*

JOHN LINDALL *Supt. of Rolling Stock and Shops*

HARRY M. STEWARD *Supt. of Maintenance*

Other Departments

CLARENCE K. REED *General Auditor*
(Appointed Dec. 1, 1918.)

LAW DEPARTMENT

H. WARE BARNUM *General Counsel*
(Appointed Dec. 1, 1918.)

RUSSELL A. SEARS *General Attorney*

CHARLES B. GLEASON *Attorney*

DANIEL L. PRENDERGAST *Real Estate Agent*

ROBERT L. NORTON *Director of Publicity*
(Appointed Dec. 1, 1918.)

Directors

MATTHEW C. BRUSH, *Chairman.*
(Elected Oct. 28, 1918.)

WILLIAM A. BANCROFT.

JOHN J. BRIGHT.

SAMUEL CARR.

GEORGE P. GARDNER.

SYDNEY HARWOOD.

JAMES M. PRENDERGAST.

FRANK W. REMICK.
(Elected Oct. 28, 1918.)

JAMES L. RICHARDS.

WILLIAM S. SPAULDING.

EUGENE V. R. THAYER.

ROBERT WINSOR.

REPORT OF TRUSTEES.

From January 1, 1918 to July 1, 1918, the railway was operated by the stockholders, and, from July 1, 1918 to and including December 31, 1918, the railway was operated by trustees appointed by the Governor under the provisions of Chapter 159 of the Special Acts of 1918.

This act was accepted by the Boston Elevated Railway Company and by the West End Street Railway Company on June 3, 1918, and certificates that it had been duly accepted and that the three million dollars of preferred stock named therein had been duly subscribed for were filed with the Secretary of the Commonwealth on June 24, 1918. On July 1, 1918 Governor McCall nominated as the board of trustees to assume the possession and management of the property,

WILLIAM M. BUTLER

LOUIS A. FROTHINGHAM

STANLEY R. MILLER

JOHN F. STEVENS

GALEN L. STONE

Mr. Frothingham was elected Chairman and Mr. Miller Secretary of the Board.

Mr. Frothingham resigned on October 23, 1918 to enter military service, and on October 28, 1918 the Governor nominated Mr. Samuel L. Powers to fill the vacancy.

Mr. Butler was chosen to succeed Mr. Frothingham as Chairman of the board. Mr. Butler resigning on December 16, 1918, the Governor nominated Mr. James F. Jackson to fill the vacancy. Mr. Jackson qualified on January 2, 1919 and thereupon was elected Chairman of the Board.

Mr. Galen L. Stone resigned on January 15, 1919 and Governor Coolidge named as his successor Mr. Winthrop Coffin who was duly qualified on February 15, 1919.

THE SEVEN-CENT FARE.

The trustees in fulfillment of their obligation under the statute with reference to the establishment of fares, in July fixed the rate of fare at seven cents, effective August 1, 1918, in place of the five-cent fare previously collected although at the time a petition of the Carmen's Union for increase of wages was pending before the National War Labor Board, the trustees were advised that an increase of two cents in the rate of fare should increase the total revenue of the Company by six million dollars per year, which increase was estimated to be sufficient to pay the cost of service within the meaning of the statute.

Under the seven-cent fare, the passenger receipts as compared with the corresponding months of 1917, when a five-cent fare was in effect, showed an increase of \$999,034.16. The percentage of increase for each month being as follows:

		Per Cent. of Increase
August	1918	23.79%
September	1918	12.09
October	1918	2.91
November	1918	21.03
4 Months	1918	15.82%

The number of revenue passengers carried during the same period decreased 21,972,995. The per cent. of decrease for each month being as follows:

		Per Cent. of Decrease
August	1918	11.49%
September	1918	20.02
October	1918	26.48
November	1918	13.64
4 Months	1918	17.38%

During part of the period in which the seven-cent fare was in effect the business of the company was seriously affected by the epidemic of influenza, which reached Boston in September. This necessitated the closing of schools and places of amusement for nearly four weeks with the result that the

earnings in October, 1918, under a seven-cent fare, were less than fifty thousand dollars in excess of the earnings of October, 1917, under a five-cent fare.

THE EIGHT-CENT FARE.

The award of the War Labor Board was made in October and established a higher scale of wages than had been anticipated. It was evident that the seven-cent fare would be wholly inadequate to meet the cost of service, and the trustees thereupon fixed the rate of fare at eight cents, effective December 1, 1918.

Under the eight-cent fare, the passenger receipts for the month of December, 1918, as compared with the month of December, 1917, when a five-cent fare was in effect, showed an increase of \$595,039.68, or 36.28%, while the number of revenue passengers carried showed a decrease of 4,883,564 or 14.86%.

Thus far the receipts from the eight-cent fare have proved inadequate to meet the cost of the service, but this fare will be continued in force long enough to provide an experience of several months.

The trustees have considered every means of reducing the cost of service so as not to inflict upon the car rider an unnecessary burden of fare. In September, they engaged Mr. Peter Witt, of Cleveland, and Professor A. S. Richey, of Worcester, to make studies, and suggestions with reference to fares. The trustees believe that while a flat fare must be so high in order to meet operating expenses, a zone fare should be considered, although it would not be desirable if a low flat fare were possible. They believe that a zone system should at least be given a trial, and they have proposed to divide the territory served into an inner zone and an outer zone in each of which a fare of five cents might be tried.

Since the close of the year 1918, however, measures have been introduced in the Massachusetts Legislature which, if

enacted, would prohibit or make inexpedient any attempt at a zone system. Further consideration of the experiment is therefore, for the time being, postponed.

POWER.

During the year the Somerville Sub Station was completed. It was put into operation on February 4, 1918 with a capacity of 4,000 kilowatts. This consisted of two 2,000 K.W. Westinghouse Rotary Converters, which were transferred from the Washington Village Sub Station.

The capacity of the Washington Village Sub Station was increased from 4,000 to 6,000 kilowatts by installing two new 3,000 K.W. Westinghouse Rotary Converters.

At Lincoln Power Station, work was commenced on June 20, 1918 in connection with the installation of a new 25,000 K.W. A.C. Turbo Generator, replacing one 2,700 K.W. (D.C.) Vertical, cross compound, engine-driven unit. This work has been hampered by precedence given to war orders, but it is expected the new unit will be in operation in the spring of 1919. A new Sullivan Motor-driven Air Compressor of 1,160 cu. ft. capacity has been installed.

At South Boston Power Station the new 35,000 K.W. General Electric Turbo Generator was completely wrecked on February 14, 1918. The cost of repairing the damage will be borne by the contractor, and although this work has also been hampered by the preference to government work, it is expected it will be in condition for operation in the spring of 1919. Mechanical soot blowers have been installed on the twenty boilers.

Work is now underway for the installation of an additional 2,000 K.W. Rotary Converter at the Charlestown Power Station.

To carry the load anticipated for next winter, it will probably be necessary to add additional converters at both the Lincoln and Charlestown Power Stations.

The capacity of the Power Stations owned at the present time

in active service is 94,000 kilowatts (D.C.) with 6,390 Kilowatts in inactive stations. This comprises the equipment in 6 active and 2 inactive main stations and 13 Sub Power Stations.

CARS.

During the year, the trustees have purchased two hundred new centre-entrance motor cars and fifty centre-entrance trailer cars. These will cost approximately \$3,028,000. Work is underway to complete forty-six 25 ft. articulated car units, the center compartments for which were on hand when the trustees took office.

Eighty G.E. 74 type Motors on the No. 1 semi-convertible cars have been replaced by Westinghouse type 306 at a cost of approximately \$64,000.

Three hundred and sixty-four G.E. 202 type Motors on the No. 3 semi-convertible cars have been replaced with G.E. 203 type which cost approximately \$362,000.

Seventy Air Compressors on No. 4 semi-convertible cars have been replaced.

Six new double-truck Russell Snow Plows have been added to the equipment.

Final deliveries have been received on the 42 new elevated cars, ordered for delivery in 1916, and these have been put into service.

The 35 Cambridge Subway cars, ordered for delivery in November, 1917, have not been received, but it is expected that deliveries will start within a few weeks' time.

The trustees have authorized obsolete rolling stock, to the value of \$750,000 destroyed.

SHOPS AND CAR HOUSES.

Clarendon Hill Carhouse, which was burned by fire on April 7, 1918, has been remodelled, and additional car storage capacity provided in the yard.

An addition has been made to the Eagle Street, East Boston Carhouse.

TRANSPORTATION FACILITIES.

Since July, the trustees have had rebuilt 4 miles and repaired 18.64 miles of surface track.

A loop track was constructed at the Hood Rubber Company's Factory, Mt. Auburn St., Watertown, so that the transportation of their employes and other traffic in that vicinity might be facilitated. This was opened July 20, 1918.

A new prepayment area was constructed at the Watertown Arsenal and opened on December 30, 1918.

A new surface prepayment area was opened at Egleston Square on January 20, 1918.

The Everett Elevated Extension will be operated in 1919. This has been under construction for some time, and trains will be operated to the temporary station erected south of the Boston & Maine "Everett" Station. It is expected that this will relieve congestion at the Sullivan Square terminal.

December 28, 1918, a new transfer privilege was instituted at Hyde Square to permit passengers from Brookline to transfer to inbound Center Street cars. This was instituted mainly for the employes of the Plant Factory located nearby.

Smoking cars on trains were discontinued on December 28, 1918.

A five-cent fare for school children, effective January 1, 1919, was authorized.

WAGES.

During the year the employes of the company have received wage increases which, if applied to a full year, would amount to about four million dollars.

From March 1, 1918, an increase of 2 cents per hour war bonus, was awarded by Henry B. Endicott, Executive Manager of the Public Safety Committee.

From May 1, 1918, an increase of $\frac{3}{4}$ of a cent per hour for car and train employes and an increase of 1 cent per hour to other employes became effective under the 3-year agreement with the Amalgamated Association of Street and Electric Railway Employes of America.

From June 15, 1918, increases were allowed employes of the company based on the award of the National War Labor Board aggregating three and one-half million dollars per annum.

Agreements have also been effected with ten Crafts Unions.

The total payroll of the company for the 6 months ending December 31, 1918, amounted to \$6,695,030.98, of which \$6,379,986.77 entered into the cost of service, and shows an average per passenger of 3.915 cents.

DEPRECIATION.

The statute under which the trustees act requires that they shall set aside "such allowance as they may deem necessary or advisable for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned."

After reviewing the report made by Mr. John A. Beeler, specially employed as Consulting Engineer by the Massachusetts Public Service Commission, and after considering studies made by the officials of the company, and in order to put the property in the best condition for economical operation, the trustees voted:

"That a general depreciation credit be established in the sum of \$167,000 for the month of July, 1918, and each subsequent month."

SUBWAY RENTALS.

The trustees upon assuming office were confronted with the burden which is placed upon the car rider by requiring the company to pay the subway rentals which it now is obliged to pay

to the City of Boston and which are charged to the car rider in the cost of operation.

The trustees believe that subways are nothing more than highways under the surface and that the public should own all its highways whether on the surface or below the surface.

It became necessary some years ago for some of the traffic to be removed from the surface of Tremont street, and it was decided that it should be the street cars that should occupy an underground way. The trustees believe that the public owes the same duty to furnish a highway for the street car rider that it owes the pedestrian or other traveler. Legislation has been sought to carry out these principles.

The company owns the subway in Cambridge from Harvard Sq. to the Cambridge Bridge. The trustees have petitioned the legislature for authority to sell that subway to the Commonwealth of Massachusetts acting in behalf of the communities served by the railway. Such sale would furnish capital much needed for permanent investments which would inure to the benefit of the car rider and the public and secure economies which must work toward a reduction in fares.

The trustees have also asked that the company be reimbursed from the public treasury for the subway rentals which it is called upon to pay. They now approximate one and a half million dollars per annum. With the Cambridge Subway the amount would be about two million dollars. The legislation sought means that while these rentals must be paid under existing contracts, the communities served by the railway would contribute from general taxation a sum sufficient to reimburse the company for the amount so paid.

OPERATIONS—JANUARY TO JUNE, 1918.

A summary of business for the 6 months January to June, 1918, is as follows:

Gross revenue from operation		\$9,571,935.80
Operating expenses		7,284,348.20
		<hr/>
Net revenue railway operations		\$2,287,587.60
Income from lease of road	\$411.72	
Dividend income	4,590.00	
Income from funded securities	4,861.75	
Income from unfunded securities and accounts	9,671.49	
Income from sinking fund and other reserves	16,640.00	
Miscellaneous income	814.04	
	<hr/>	35,989.00
		<hr/>
		\$2,324,576.60
Tremont Subway rental	\$97,753.78	
Less		
Amount charged Bay State St. Ry. Co.	\$8,858.04	
Amount charged the Wilbur Theatre	61.60	8,919.64
	<hr/>	<hr/>
		\$88,834.14
Interest on funded debt of West End St. Ry. Co.	497,198.74	
Dividend rental on preferred stock of West End St. Ry. Co., 8% per annum	256,000.00	
Dividend rental on common stock of West End St. Ry. Co., 7% per annum	491,044.75	
Organization expenses of West End St. Ry. Co.	4,250.00	
Dividend on stock of Somerville Horse R. R. Co.	4,590.00	
Taxes on West End St. Ry. Co.	284,418.03	
Taxes on Somerville Horse R. R.	2,108.66	
Rent of property of Bay State St. Ry. Co.	27,553.26	
Rent of Newtonville & Watertown St. Ry.	2,982.98	
	<hr/>	
Total accruals on account of leased railways		1,658,980.56
		<hr/>
Amount carried forward		\$665,596.04

<i>Amount brought forward</i>		\$665,596.04
Interest on funded debt	\$560,393.73	
Interest on unfunded debt	77,251.25	
Corporate franchise and real estate taxes	142,390.35	
Federal capital stock taxes	4,375.50	
Federal and Mass. income taxes	23,827.24	
Miscellaneous tax items	12,785.32	
Washington Tunnel rental	178,319.37	
East Boston Tunnel rental	34,779.43	
East Boston Tunnel Extension rental	50,350.86	
Cambridge Connection rental	35,561.91	
Boylston Subway rental	106,573.27	
Dorchester Tunnel rental (2 days)	2,637.41	
Miscellaneous debits	2,501.93	
Amortization of discount on funded debt	3,909.06	
Net loss on Miscellaneous Physical Prop- erty for 6 months	2,215.67	1,237,872.30
Deficit for the 6 months		<u>\$572,276.26</u>

Volume of business for the 6 months:

Total revenue passengers carried	185,699,883
Decrease as compared with the corresponding 6 mos. of the previous year	4,551,109
Or a decrease of about	2.39%

OPERATIONS—JULY TO DECEMBER, 1918.

A summary of business for the 6 months July to December, 1918, is as follows:

Gross revenue from operation	\$11,405,029.15
Operating expenses	10,711,749.12
Net revenue railway operations	<u>\$693,280.03</u>
Income from lease of road	\$411.68
Dividend income	4,590.00
Income from funded securities	1,805.25
Income from unfunded securities and ac- counts	24,342.52
Income from sinking fund and other reserves	16,640.00
Miscellaneous income	949.42
<i>Amount carried forward</i>	<u>48,738.87</u>
	\$742,018.90

<i>Amount brought forward</i> . . .		\$742,018.90
Tremont Subway rental	\$97,753.78	
Less		
Amount charged Bay State St. Ry. Co.	9,685.03	
	<hr/>	\$88,068.75
Interest on funded debt of West End St. Ry. Co.	514,530.01	
Dividend rental on preferred stock of West End St. Ry. Co., 8% per annum	256,000.00	
Dividend rental on common stock of West End St. Ry. Co., 7% per annum . .	491,044.75	
Organization expenses of West End St. Ry. Co.	4,250.00	
Dividend on stock of Somerville Horse R. R. Co.	4,590.00	
Taxes on West End St. Ry. Co. . . .	258,225.41	
Taxes on Somerville Horse R. R. . .	1,451.65	
Rent of property of Bay State St. Ry. Co.	18,268.00	
Rent of Newtonville & Watertown St. Ry.	3,008.64	
	<hr/>	
Total accruals on account of leased railways		\$1,639,437.21
		<hr/>
		\$897,418.31
Interest on funded debt	\$560,393.73	
Interest on unfunded debt	104,118.43	
Corporate franchise and real estate taxes	143,366.70	
Federal capital stock taxes	2,717.00	
Federal and Mass. income taxes . . .	23,827.30	
Miscellaneous tax items	18,022.33	
Washington Tunnel rental	178,320.12	
East Boston Tunnel rental	41,542.27	
East Boston Tunnel Extension rental .	50,364.48	
Cambridge Connection rental	35,562.34	
Boylston Subway rental	108,954.14	
Dorchester Tunnel rental	236,106.06	
Miscellaneous debits	2,887.13	
Amortization of discount on funded debt	3,909.06	
Net loss on Miscellaneous Physical Property for 6 months	6,920.36	
	<hr/>	\$1,517,011.45
		<hr/>
		\$2,414,429.76
Dividend Rental under Special Acts of 1918:		
Preferred Stock, paid Jan. 2, 1919,		
\$2.04 1/6 per share	\$61,250.00	
Common stock, paid Jan. 2, 1919, \$2.50		
per share	596,985.00	658,235.00
	<hr/>	<hr/>
Deficit for the 6 months		\$3,072,664.76

Volume of business for the 6 months:

Total revenue passengers carried	162,964,817
Decrease as compared with the corresponding 6 mos. of the previous year	27,801,529
Or decrease of about	14.57%

We annex a full statement of the condition of the company for the year ending December 31, 1918, compiled by our General Auditor, Mr. Clarence K. Reed.

Appended is a copy of a certificate from Price, Waterhouse & Company, Accountants, certifying to the correctness of the General Balance Sheets, Income Statement and Profit and Loss Account.

For convenience, we have shown in the last part of this report a Combined Balance Sheet of the Boston Elevated Railway Company and the West End Street Railway Company as of December 31, 1918. This was prepared by Price, Waterhouse & Company, Accountants.

JAMES F. JACKSON, Chairman,
WINTHROP COFFIN,
STANLEY R. MILLER,
SAMUEL L. POWERS,
JOHN F. STEVENS,

Trustees.

April, 1919.



Boston, March 19, 1919.

We have audited the accounts of the Boston Elevated Railway Company and of its leased company, the West End Street Railway Company, with which it is under contract to merge in June, 1922, for the twelve months' period ending December 31, 1918.

The road and equipment are stated at book values without adequate provision for depreciation prior to June 30, 1918. For the six months' period ending December 31, 1918, current accruing depreciation was provided at a rate which we consider sufficient.

We have verified all securities owned by the company, these being stated at their cost values, which in some cases exceed the market values, and have verified all cash deposits and other current assets and satisfied ourselves that capital and other liabilities are correctly stated.

Subject to the foregoing, we certify that in our opinion the attached balance sheets of the Boston Elevated Railway Company and the consolidated balance sheet at December 31, 1918 are properly drawn up so as to show the true financial position of the companies and that the relative profit and loss account is correct.

PRICE, WATERHOUSE & Co.

GENERAL AUDITOR'S REPORT.

Boston, April 1, 1919.

TO THE BOARD OF TRUSTEES OF THE BOSTON ELEVATED RAILWAY
COMPANY:

Gentlemen,—I herewith submit the following statements of the
business of the Company for the year ending December 31, 1918:

- A. GENERAL BALANCE SHEET—JUNE 30, 1918.
- B. GENERAL BALANCE SHEET—DECEMBER 31, 1918.
- C. INCOME STATEMENT.
- D. PROFIT AND LOSS ACCOUNT.
- E. STATEMENT OF THE SPECIAL TRUST FUND.
- F. TRAFFIC STATISTICS.
- G. MILEAGE OF TRACK.
- H. EQUIPMENT.
- I. SUMMARY OF STOCKHOLDERS.

Yours respectfully,

CLARENCE K. REED,
General Auditor.

A.
GENERAL BALANCE SHEET.

ASSETS.

INVESTMENTS:

Road and equipment at Jan. 1, 1918	\$54,380,800.86	
Additions and betterments during the 6 months ending June 30, 1918	976,532.53	
Total		\$55,357,333.39
Miscellaneous physical property (purchased from the West End St. Ry. Co. under Chap. 940, Acts 1911)		988,748.94
Investments in affiliated companies:		
Stocks		201,509.72
Advances:		
West End St. Ry. Co.:		
Road and equipment ac- counts	\$559,769.76	
Current account	884,336.34	
Other companies—Road and equipment	102,852.11	
Total		\$1,546,958.21
Other investments:		
Stocks		2,501.00
Notes		133,450.00
Advances		34,731.33
Total investments		\$58,265,232.59

CURRENT ASSETS:

Cash	\$590,465.39	
Deposits for interest, dividends and rents unpaid	359,347.75	
Special deposit of Reserve Fund, under Chap. 159, Special Acts 1918	1,000,000.00	
Loans and notes receivable	5,671.10	
Miscellaneous accounts receivable	202,430.43	
Material and supplies	2,506,639.41	
Interest, dividends and rents re- ceivable	14,222.76	
Other current assets	24,911.62	
Total current assets		4,703,688.46

DEFERRED ASSETS:

Insurance and other funds	\$835,750.00	
Total deferred assets		835,750.00

UNADJUSTED DEBITS:

Rents and insurance premiums paid in advance	\$44,455.45	
Discount on funded debt	307,061.44	
Other unadjusted debits	119,122.23	
Total unadjusted debits		470,639.12

GRAND TOTAL:		<u>\$64,275,310.17</u>
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A.

JUNE 30, 1918.

LIABILITIES.

Capital stock (common)	\$23,879,400.00	
Installment on Preferred stock . .	1,050,000.00	
Premium on capital stock	2,707,428.13	
	<hr/>	
Total stock		\$27,636,828.13
LONG-TERM DEBT:		
Funded debt unmatured	\$26,586,000.00	
Mortgage note	125,000.00	
Non-negotiable debt to affiliated companies:		
Open account (West End St. Ry. Co.)	1,207,201.98	
	<hr/>	
Total long-term debt		27,918,201.93
CURRENT LIABILITIES:		
Loans and notes payable	\$3,240,900.00	
Audited accounts and wages payable	1,884,353.66	
Matured interest, dividends, and rents unpaid	360,553.25	
Accrued interest, dividends, and rents payable	865,046.84	
	<hr/>	
Total current liabilities		6,350,853.75
DEFERRED LIABILITIES:		
Other deferred liabilities	67,878.64	
	<hr/>	
Total deferred liabilities		67,878.64
UNADJUSTED CREDITS:		
Tax liability	\$670,937.41	
Premium on funded debt	12,314.96	
Insurance reserve	150,000.00	
Operating reserve—for injuries and damages	731,765.42	
Accrued depreciation, road and equipment	616,323.98	
Other unadjusted credits	75,701.55	
Reserve for back pay—June 15th to 30th	117,402.98	
	<hr/>	
Total unadjusted credits		2,374,446.30
	<hr/>	
Total		\$64,348,208.80
CORPORATE SURPLUS:		
Profit and loss—balance (<i>debit</i>) . .	72,898.63	
	<hr/>	
Total corporate surplus (<i>debit</i>)		72,898.63
	<hr/>	
GRAND TOTAL		<u><u>\$64,275,310.17</u></u>

B. GENERAL BALANCE SHEET.

ASSETS.

INVESTMENTS:

Road and equipment at July 1, 1918	\$55,357,333.39	
Additions and betterments during the 6 months ending Dec. 31, 1918	677,653.98	
Total		\$56,034,987.37
Miscellaneous physical property (purchased from the West End St. Ry. Co. under Chap. 940, Acts 1911)		946,025.57
Investments in affiliated companies:		
Stocks		201,509.72
Advances:		
West End St. Ry. Co.:		
Road and equipment ac- counts	\$451,878.14	
Current account	884,336.34	
Other companies—road and equipment	102,852.11	
Total		1,439,066.59
Other investments:		
Stocks		2,501.00
Notes		132,850.00
Advances		61,393.36
Total investments		\$58,818,333.61

CURRENT ASSETS:

Cash	\$924,941.39	
Deposits for interest, dividends and rents unpaid	1,003,525.00	
Special deposit of Reserve Fund, Chap. 159, Special Acts 1918	510,000.00	
Loans and notes receivable	5,326.75	
Miscellaneous accounts receivable	297,587.13	
Material and supplies	3,253,823.69	
Interest, dividends and rents re- ceivable	13,725.50	
Other current assets	15,309.09	
Total current assets		6,024,238.55

DEFERRED ASSETS:

Insurance and other funds	\$835,750.00	
Total deferred assets		835,750.00

UNADJUSTED DEBITS:

Rents and insurance premiums paid in advance	\$68,819.87	
Discount on funded debt (net)	288,463.46	
Other unadjusted debits	141,239.58	
Total unadjusted debits		498,522.91

GRAND TOTAL	\$66,176,845.07
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B.
DECEMBER 31, 1918.

LIABILITIES.

STOCK:

Preferred stock	\$3,000,000.00
Common stock	23,879,400.00
Premium on capital stock	<u>2,707,428.13</u>

Total stock \$29,586,828.13

LONG-TERM DEBT:

Funded debt unmatured	\$26,586,000.00
Mortgage note	125,000.00

Non-negotiable debt to affiliated companies:

Open account (West End St. Ry. Co.)	<u>1,214,948.88</u>
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Total long-term debt 27,925,948.88

CURRENT LIABILITIES:

Loans and notes payable	\$5,143,100.00
Audited accounts and wages payable	1,755,923.95
Matured interest, dividends, and rents unpaid	1,004,730.50
Accrued interest, dividends, and rents payable	<u>831,507.00</u>

Total current liabilities 8,735,261.45

DEFERRED LIABILITIES:

Other deferred liabilities	<u>\$23,530.63</u>
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Total deferred liabilities 23,530.63

UNADJUSTED CREDITS:

Tax liability	\$333,588.07
Insurance reserve	44,172.40
Operating reserve—for injuries and damages	933,762.84
Accrued depreciation, road and equipment	1,506,299.56
Other unadjusted credits	<u>233,818.65</u>

Total unadjusted credits 3,051,641.52

Total \$69,323,210.61

CORPORATE SURPLUS:

Profit and loss:

Balance June 30, 1918 (<i>debit</i>)	72,898.63
Balance since June 30, 1918 (<i>debit</i>)	<u>3,073,466.91</u>

Total corporate surplus (*debit*) 3,146,365.54

GRAND TOTAL \$66,176,845.07

C.

INCOME STATEMENT.

OPERATING INCOME:

Railway operating revenues:

Revenue from transportation:

Passenger revenue	\$20,337,459.92
Parlor and special car revenue	14,952.19
Mail revenue	815.47
Express revenue	106,707.04
Miscellaneous transportation revenue	2,846.47

Total revenue from transportation	\$20,462,781.09
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Revenue from other railway operations:

Station and car privileges	\$291,300.48
Rent of tracks and facilities	38,822.62
Rent of equipment	15,189.44
Rent of buildings and other property	62,968.74
Power	72,972.27
Miscellaneous	32,930.31

Total revenue from other railway operations	514,183.86
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Total railway operating revenues	\$20,976,964.95
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RAILWAY OPERATING EXPENSES:

For maintenance of way and structures	\$2,372,932.21
For maintenance of equipment	3,142,368.70
For power	2,604,365.66
For conducting transportation	7,772,434.25
For traffic	9,167.34
For general and miscellaneous	2,094,829.16

Total operating expenses	17,996,097.32
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Net revenue—Railway operations	\$2,980,867.63
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TAXES ASSIGNABLE TO RAILWAY OPERATIONS	917,515.49
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Total operating income	\$2,063,352.14
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Amount carried forward	\$2,063,352.14
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C.

YEAR ENDING DECEMBER 31, 1918.

Amount brought forward \$2,063,352.14

NON-OPERATING INCOME:

Income from lease of road	\$823.40
Dividend income	9,180.00
Income from funded securities . .	6,667.00
Income from unfunded securities and accounts	34,014.01
Income from sinking fund and other reserves	33,280.00
Miscellaneous income	1,763.46

Total non-operating income 85,727.87

Gross income \$2,149,080.01

DEDUCTIONS FROM GROSS INCOME:

*Rent for leased roads	\$2,752,214.02
†Miscellaneous rents	1,059,071.66
Net loss on miscellaneous physical property for year. (Purchased from W. E. St. Ry. Co. under Chap. 940, Acts 1911)	9,136.03
Interest on funded debt	1,120,787.46
Interest on unfunded debt	181,369.68
Amortization of discount on funded debt	7,818.12
Miscellaneous debits	5,389.06

Total deductions from gross income . . . \$5,135,786.03

NET LOSS TRANSFERRED TO DEBIT OF PROFIT
AND LOSS

\$2,986,706.02

* Includes rent for Tremont Subway, \$176,902.89.

† Rents for all other subways and tunnels.

D.

PROFIT AND LOSS ACCOUNTS.

OPERATIONS TO JUNE 30, 1918.

DEBIT.

To debit balance transferred from Income Account		\$454,873.28
MISCELLANEOUS DEBITS:		
To loss due to sale of mortgage note	\$1,350.00	
To other Miscellaneous Debits	55.87	1,405.87
<hr/>		
To debit balance transferred from Income Account:		
Back Pay, June 15th to 30th, charged in December		\$117,402.98
<hr/>		
TOTAL		<u>\$573,682.13</u>

CREDIT.

By credit balance at beginning of year		\$28,557.78
MISCELLANEOUS CREDITS:		
By amounts transferred from:		
Fire Insurance Reserve	\$416,326.51	
Winter Expense Reserve	50,000.00	
Liability Insurance Reserve—		
Cambridge Subway	5,899.21	472,225.72
<hr/>		
By debit balance		72,898.63
<hr/>		
TOTAL		<u>\$573,682.13</u>

D.

YEAR ENDING DECEMBER 31, 1918.

OPERATIONS SINCE JUNE 30, 1918.

DEBIT.

To debit balance transferred from Income Account		\$2,414,429.76
DIVIDEND APPROPRIATION OF SURPLUS:		
To Dividends on Preferred Stock, Paid Jan. 2, 1919—\$2.04 1/6 per share on 30,000 shares	\$61,250.00	
To Dividends on Common Stock. Paid Jan. 2, 1919—\$2.50 per share on 238,794 shares	596,985.00	658,235.00
		<hr/>
MISCELLANEOUS DEBITS:		
To uncollectable accounts—cancelled		802.15
		<hr/>
TOTAL		\$3,073,466.91
		<hr/>

CREDIT.

By debit balance	\$3,073,466.91
TOTAL	\$3,073,466.91

SUMMARY OF PROFIT AND LOSS ACCOUNTS.

For Operations to June 30, 1918—debit balance	\$72,898.63
For Operations since June 30, 1918—debit balance	3,073,466.91
TOTAL (debit) December 31, 1918	\$3,146,365.54

E.

BOSTON ELEVATED RAILWAY COMPANY, TRUSTEE.

STATEMENT OF SPECIAL TRUST FUND.

DECEMBER 31, 1918.

Principal of Trust Fund as established	\$1,500,000.00
Accretions and accumulations of income to December 31, 1918	401,213.33
TOTAL	<u>\$1,901,213.33</u>
Investment in marketable securities and real estate .	\$1,855,502.33
Cash	45,711.00
TOTAL	<u><u>\$1,901,213.33</u></u>

The above Trust Fund is held by the Boston Elevated Railway Company under Chapter 740, Acts of 1911, "An Act to authorize the consolidation of properties and franchises of the Boston Elevated Railway Company and the West End Street Railway Company," and represents the proceeds from the sale to the Boston Elevated Railway Company of real estate of the West End St. Ry. Company, which was not required in the conduct of the business. The amount so received (\$1,500,000) is to be held by the Boston Elevated Railway Company and invested by it and allowed to accumulate until the tenth day of June 1922, when the consolidation of the two companies is to take place. Thereafter, the annual income therefrom shall be applied toward the purchase and retirement of the second preferred stock of the Boston Elevated Company. No part of this fund or its income can be used for any other purpose.

F.

TRAFFIC STATISTICS.

YEAR ENDING DECEMBER 31, 1918.

ROUND TRIPS.

Run by Rapid Transit Passenger cars	1,204,348
Run by Surface Passenger cars	5,403,123
Run by Express cars, etc.	14,987
TOTAL	6,622,458

REVENUE MILES.

Run by Rapid Transit Passenger cars	13,364,229
Run by Surface Passenger cars	39,398,056
Run by Express cars, etc.	239,283
Run by Sprinkler cars	20,248
TOTAL	53,021,816

REVENUE CAR HOURS.

By Rapid Transit Passenger cars	893,657
By Surface Passenger cars	3,748,073
By Express cars, etc.	23,675
By Sprinkler cars	1,873
TOTAL	4,667,278

PASSENGERS CARRIED.

Revenue Passengers on Rapid Transit and Surface cars	348,664,700
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G.

MILEAGE OF TRACK.

Total track owned by and leased from the West End St. Ry. Co., December 31, 1917	428.252 miles
Additions for extensions during the year767 "
TOTAL	429.019 "
Reduction for track taken up or transferred during the year	3.557 "
NET LENGTH OF TRACK OWNED BY AND LEASED FROM THE WEST END ST. RY. CO., DEC. 31, 1918	425.462 "
Leased from other companies	39.622 "
Operated under trackage privileges	3.708 "
Surface track on B. E. Ry. Co. property	22.789 "
Total track for Surface cars	491.581 "
Total track for Rapid Transit cars	43.281 "
TOTAL TRACK, Dec. 31, 1918	534.862 "

Which is made up as follows:

	For Surface Cars.	For Rapid Transit Cars.
Length of main lines	232.171 miles	16.804 miles
Length of second track	197.743 "	16.580 "
Length of sidings, carhouse curves, cross-overs, etc.	11.137 "	2.951 "
Length of track in carhouses and yards	50.530 "	6.946 "
TOTALS	491.581 "	43.281 "

The total length of surface track in reservations is	45.18 "
The total length of surface track built with heavy girder rail is	452.057 "

G.

DECEMBER 31, 1918.

The total length of track in subways and tunnels used
for surface cars is as follows:

Tremont Subway	5.400 miles
East Boston Tunnel & Extension	3.782 "
Boylston Subway	3.016 "

Total Length of Track in Sub-
ways used for surface cars is 12.198 miles

The total length of track in subways and tunnels used
for rapid transit trains is as follows:

Washington Tunnel	2.326 miles
Cambridge-Dorchester Tunnel	
Cambridge Subway proper and incline to bridge	4.743 miles
Cambridge Bridge and El- evated Connection	1.029 "
Cambridge Connection (Bea- con Tunnel)965 "
Dorchester Tunnel	4.628 11.365 "

Total Length of Track in
Subways and Tunnels
used for Rapid Transit
Trains is 13.691 miles

The total length of track in all Subways and Tunnels is	25.889 miles
The total length of surface track in the Cambridge Subway is723 "
The total length of surface track in the Dorchester Tunnel and at Andrew Station is635 "
The total length of track on the East Cambridge Via- duct and connection is	2.678 "

H. EQUIPMENT.

PASSENGER CARS—SURFACE LINES.

Type of Car.	Number Owned.	Brake Equipmt.	Truck Equipmt.	Control Equipmt.	Seating Capacity.
Semi-Convertible-Prepayment Type:					
#1 Type 32-Ft.	40	Air	Double	G.E.M. Type	48
#2 Type 33-1/4-Ft.	37	"	"	G.E. Auto	52
#3 Type 33-1/4-Ft.	91	"	"	G.E. Auto	52
#4 Type 34-1/3-Ft.	50	"	"	West. H. L.	52
#4-A Type 34-1/3-Ft.	50	"	"	West. H. L.	52
#4-A2 Type 34-1/3-Ft.	75	"	"	G.E.M.	52
#4-A3 Type 34-1/3-Ft.	100	"	"	West. H. L.	52
Spec. Type 34-1/3-Ft.	10	"	"	G.E. Auto	52
Total Semi-Convertible	453				
Centre Entrance-Prepayment-Motor Cars					
Centre Entrance-Prepayment-Trailer Cars	100	"	"	G.E.-d. c. 5	58
Safety Type, 1 man, Prepayment	174	"	"	None	62
Articulated-Prepayment:	1	"	Single	K-10-Q	30
Double-20-Ft. Type	69	"	Double	K	52
Double-25-Ft. Type	99	"	Quadruple	K	68
Total Articulated	168				
Box Cars:					
28-Ft.	2	Hand	Double	K	38
26-1/2-Ft. (14 are Prepayment)	60	Air	"	K	36
25-Ft.	924	Hand	"	K	34
24-Ft. (Parlor)	1	Air	"	M	chairs
20-Ft.	66	Hand	Single	K	26
20-Ft. (Parlor)	1	Hand	"	K	chairs
16-Ft. (Parlor)	1	Hand	"	K	"
16-Ft.	1	Hand	"	K	20
Total Box Cars	1,056				

H.

DECEMBER 31, 1918.

PASSENGER CARS—SURFACE LINES (Continued).

Type of Car.	Number Owned.	Brake Equipt.	Truck Equipt.	Control Equipt.	Seating Capacity.
Open Cars:					
12-Bench	179	Hand	Double	K	60
10-Bench	41	"	"	K	50
9-Bench	717	"	Single	K and Rheo.	45
8-Bench	390	"	"	Rheostat	40
Total Open Cars	1,327				

TOTAL SURFACE PASSENGER CARS

1,327

PASSENGER CARS—RAPID TRANSIT LINES.

Type of Car.	Number Owned.	Brake Equipt.	Truck Equipt.	Control Equipt.	Seating Capacity.
Elevated Cars:					
Wood and Steel (4 end and 2 side doors)	168	Air	Double	G.E. Auto	48
All Steel	162	"	"	"	48
Total Elevated	330				
Cambridge-Dorchester Tunnel (6 side doors)	60	"	"	West, A. L.	72
TOTAL RAPID TRANSIT LINES	390				
TOTAL PASSENGER CARS OWNED	3,669				

OTHER EQUIPMENT.

Newspaper Car	1	Snow Removers, Horse	.	.	10
Mail Cars, Surface	9	Snow Plows, Horse	.	.	23
Service Cars (163 Surface, 24 Rapid Transit)	187	Snow Sleds	.	.	620
Snow Plows, Electric	218	Miscellaneous Vehicles	.	.	465
Snow Sweepers, Electric	9	Horses	.	.	204
Electric Shovel	1		.	.	
All Electric Car Motors (823 rapid transit, 6,786 surface)	7,609

I.

SUMMARY OF STOCKHOLDERS OF RECORD.

DECEMBER 31, 1918.

State.	COMMON.		PREFERRED.	
	No. Stockholders.	Shares.	No. Stockholders.	Shares.
Massachusetts	5,449	212,435	3,198	27,561
OTHER STATES.				
Maine	86	3,263	43	349
New Hampshire	157	3,188	83	308
Vermont	24	285	16	36
Rhode Island	47	1,511	22	159
Connecticut	77	2,731	36	333
New York	169	8,092	63	832
New Jersey	13	181	2	9
Pennsylvania	44	1,131	15	54
Maryland	4	63	1	8
District of Columbia	21	974	10	63
Virginia	3	70	3	12
West Virginia	2	8		
Georgia	3	49	1	7
Florida	8	300	2	9
Louisiana	1	1		
Ohio	12	303	3	12
Indiana	4	237	1	6
Tennessee	2	11	1	1
Iowa	1	2		
Illinois	27	353	2	19
Wisconsin	5	207	1	13
Michigan	7	214	4	13
Missouri	5	170	3	18
Colorado	6	553	2	4
Washington	4	28	1	1
California	28	962	12	97
Minnesota	6	62	1	4
Oklahoma	2	15		
South Dakota	1	50		
Delaware	1	10		
Alabama	2	22		
South Carolina	1	10		
North Carolina	3	33		
Kentucky	1	10		
Montana	1	2		
Nevada	1	36	1	5
New Mexico	1	10		
Alaska	1	12		
Hawaii	1	5		
	782	25,164	329	2,372
Cuba	1	25	0	0

I.

BRITISH PROVINCES.

Province.	COMMON.		PREFERRED.	
	No. Stockholders.	Shares.	No. Stockholders.	Shares.
Quebec	9 . .	431	5 . .	54
Ontario	1 . .	6		
New Brunswick . .	2 . .	13	1 . .	1
Nova Scotia . . .	3 . .	42	2 . .	12
British Columbia .	1 . .	8		
Saskatchewan . .	1 . .	15		
	<u>17</u>	<u>515</u>	<u>8</u>	<u>67</u>

EUROPEAN COUNTRIES.

Denmark	1 . .	30		
Scotland	1 . .	10		
Ireland	1 . .	5		
France	6 . .	575		
Italy	2 . .	13		
	<u>11</u>	<u>633</u>		

CENTRAL AMERICA.

Nicaragua	1 . .	12		
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ASIA.

Siam	1 . .	10		
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RECAPITULATION.

Massachusetts . .	5,449 . .	212,435	3,198 . .	27,561
Other States . .	782 . .	25,164	329 . .	2,372
Cuba	1 . .	25		
British Provinces .	17 . .	515	8 . .	67
European Countries .	11 . .	633		
Central America . .	1 . .	12		
Asiatic Countries .	1 . .	10		
	<u>6,262</u>	<u>238,794</u>	<u>3,535</u>	<u>30,000</u>

CONSOLIDATED
BOSTON ELEVATED RAILWAY COMPANY
AS OF

(Prepared by Price)

ASSETS.

INVESTMENTS:

Road and equipment		\$97,044,885.90
Additions and betterments to West End Street Railway Company's lines made by Boston Elevated Railway Company (June, 1917, to December, 1918)		425,542.52
Miscellaneous physical property (Purchased from West End Street Railway Company, under Chap. 940, Acts of 1911)		946,025.57
Investments in affiliated companies:		
Stocks	\$201,509.72	
Advances	102,852.11	304,361.83
Other investments:		
Stocks and notes	\$135,351.00	
Advances for additions and betterments	61,393.36	196,744.36
TOTAL INVESTMENTS		\$98,917,560.18

CURRENT ASSETS:

Cash	\$934,586.82	
Special deposits:		
Deposits of cash to pay interest and dividends	1,009,525.00	
Balance of fund provided under legislative enactment of 1918 to meet deficiencies in income	510,000.00	
Notes receivable	5,326.75	
Accounts receivable	297,587.13	
Materials and supplies	3,253,823.69	
Interest, dividends, and rents receivable	13,725.50	
Other current assets	15,309.09	6,039,883.98

DEFERRED ASSETS: (Invested Funds)

Boston Elevated Railway Company, Trustee, original principal of trust fund under Chap. 740 of Legislative Acts of 1911	\$1,500,000.00	
Investments held for insurance, injuries and damage reserves	835,750.00	2,335,750.00

DEFERRED CHARGES AND UNADJUSTED DEBITS:

Insurance premiums paid in advance	\$68,819.87	
Prepaid interest on notes payable	77,760.66	
Payments made contractors, etc., undistributed	63,478.92	210,059.45

TOTAL ASSETS		<u>\$107,503,253.61</u>
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BALANCE SHEET AND WEST END STREET RAILWAY COMPANY DECEMBER 31, 1918

(Waterhouse & Co., Accountants.)

LIABILITIES.

CAPITAL STOCK:

Boston Elevated Railway Company:

*Preferred 7% cumulative	\$3,000,000.00	
Common	23,879,400.00	\$26,879,400.00

West End Street Railway Company:

Preferred 8% cumulative	\$6,400,000.00	
Common	14,029,850.00	20,429,850.00

Premium on common stock		4,939,905.15
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TOTAL STOCK		\$52,249,155.15
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LONG-TERM DEBT:

Funded debt unmatured:

Boston Elevated Railway Company	\$26,586,000.00	
West End Street Railway Company	20,416,000.00	
Mortgage note due July 2, 1920	125,000.00	47,127,000.00

CURRENT LIABILITIES:

Loans and notes payable	\$5,143,100.00	
Audited accounts and wages payable	1,755,923.95	
Matured interest, dividends and rents unpaid	1,004,730.50	
Matured funded debt unpaid	6,000.00	
Accrued interest and rents payable	831,507.00	8,741,261.45

DEFERRED LIABILITIES:

UNADJUSTED CREDITS:

Tax liability	\$333,588.07	
Premium on funded debt (net)	85,971.62	
Insurance reserve	44,172.40	
Operating reserves for injuries and damages	933,762.84	
Accrued depreciation—road and equip- ment	1,506,299.56	
Other unadjusted liabilities	233,818.65	3,137,613.14

TOTAL LIABILITIES		\$111,278,560.37
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Deduct:

DEFICIT:

West End Street Railway Company:

Balance at December 31, 1918, after adjusting inter-company balances	\$628,941.22
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Boston Elevated Railway Company:

Balance at June 30, 1918	72,898.63
Balance for 6 months ending December 31, 1918	3,073,466.91

\$107,503,253.61

*NOTE.—These shares, par value \$3,000,000.00, are subject to first and second preferred stock aggregating \$20,429,850.00 to be issued by the Boston Elevated Railway Company upon the merger with the West End Street Railway Company in June, 1922.



